

Press release

03. November 2011

HANNOVER Finanz sells KEYMILE shares after four years' successful partnership

The HANNOVER Finanz Group as the majority shareholder and Dr.-Ing. Ziaedin Chahabadi, CEO of KEYMILE GmbH, are transferring their entire holdings to private equity investors Riverside and Halder. The management is increasing its share.

The HANNOVER Finanz Group had facilitated the management buy-out at KEYMILE in 2007 and systematically developed the group of companies in the following years. With the backing of HANNOVER Finanz, KEYMILE's value increased considerably. By acquiring Aastra Networks GmbH in 2010, a process actively supported by HANNOVER Finanz, KEYMILE was able to broaden its base in the four year partnership, also establishing a presence in South America. With the security of private equity backing, the company developed new fields of business and product lines, and attracted new core customers. Today, KEYMILE serves a large client base in over 60 countries, including major network operators (such as Deutsche Telekom, EWE Tel and GVT in Brazil), utility companies (e.g. E.ON) and railway companies like Deutsche Bahn.

Andreas Schober, Chairman of the Board of HANNOVER Finanz, comments as follows: "The KEYMILE case shows that private equity investors can stabilise a business even in turbulent times and generate growth by working closely together with the management. In this way, we succeeded in increasing the value of the company considerably, with the result that the sale quadrupled the capital we had deployed. One of the few sales taking place in our segment in Germany in these times of volatile money markets, this transaction has proved a great success."

The purchase price remains, as is customary, undisclosed.

1672 characters / 27 lines. We would appreciate a sample copy of any reprints.

See also the attached Riverside press release!

About KEYMILE

www.keymile.com

KEYMILE is a leading supplier of communication solutions in the field of access and transmission systems. The flexible and robust IP-based multi-service access platforms allow telecommunication providers to supply a variety of voice and data services over copper and fibre optic cable. The simultaneous availability of IP/Ethernet and traditional TDM Technology ensures a smooth migration to Next Generation Network. In the telecommunication networks of railways and utility providers, as well as in mobile and radio networks, KEYMILE systems are used for secure data transmission in mission-critical areas. The company has headquarters in Germany and Switzerland and is represented worldwide through subsidiaries and partners, which can provide system installations in more than 100 countries.

About the HANNOVER Finanz Group

www.hannoverfinanz.de

Independent of major corporations or banks and with institutional investors at its back, the HANNOVER Finanz Group, established in 1979, has over 30 years of experience. The basis of its long-term investments in medium-sized enterprises in the German-speaking area is constituted by nine currently active “evergreen” funds that run for an unlimited period. Its commitments range from old economy industries to commerce and the new technologies. The principal focus is on funding growth and corporate succession in sound medium sized businesses with annual sales of 20 million euros and above. The HANNOVER Finanz Group is one of the few private equity houses in Germany to take on minority as well as majority shareholdings.

For KEYMILE: Thomas Evers, Marketing & Communication, +49 511 6747 668,
thomas.evers@keymile.com

For the HANNOVER Finanz Group: Jantje Salander, Head of Corporate Communications,
+49 511 0511 2 80 07-89, salander@hannoverfinanz.de